

**PROPERTY ASSESSMENT APPEAL BOARD**  
**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

PAAB Docket No. 2015-007-00020R

Parcel No. 8913-34-026-005

Joan and Michael Hollen,

Appellants,

v.

Black Hawk County Board of Review,

Appellee.

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**Introduction**

This appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on October 26, 2015. Joan and Michael Hollen were self-represented. Assistant County Attorney David Mason is counsel for the Black Hawk County Board of Review.

The Hollens are the owners of a residential property located at 415 Kingbard Boulevard, Waterloo, Iowa. The improvements have 3083 square feet of living area, a full basement with 232 square feet of finish, a balcony, a covered porch, a screen porch, and a two-car built-in garage. The site is 0.53 acres.

The property's January 1, 2015, assessment was \$373,790, allocated as \$49,430 in land value and \$324,360 to improvement value. After an exemption, the total 2015 assessment was \$366,060. The Hollens' protest to the Board of Review claimed the property is assessed for more than the value authorized by law under section 441.37(1)(a)(1)(b).

The Board of Review denied the petition.

The Hollens re-assert their claim to this Board and believe the subject property's assessment should be \$300,000.

## Findings of Fact

The Hollens submitted two independent appraisals of the subject property. Larry Moser, Moser Real Estate, Waterloo, Iowa, completed an appraisal as of March 2013. Likewise, Clinton Cota, Rally Appraisal, LLC, Cedar Falls, Iowa, completed an appraisal as of May 2015.

Because the Moser appraisal has an effective date of March 2013, it relies on sales from 2012. For this reason, we do not find it relevant to a 2015 assessment and will not analyze it in detail. However, we do note that it offers a historical snapshot of the subject property, market area, and its market value, which is consistent with the Cota appraisal.

The Cota appraisal relied solely on the sales comparison approach to value. Cota submitted four properties he considered comparable to the subject, and adjusted them for differences. The following chart summarizes his sales.

|                       | Sale Price | Sale Date | Gross Living Area (GLA) | Age | Adjusted Price |
|-----------------------|------------|-----------|-------------------------|-----|----------------|
| Subject               | N/A        | N/A       | 3083                    | 86  | N/A            |
| 1 – 400 Kingbard Blvd | \$317,000  | Sep-14    | 3080                    | 91  | \$315,889      |
| 2 - 301 Sheridan Rd   | \$350,000  | Aug-14    | 3404                    | 75  | \$336,729      |
| 3 - 845 Prospect Blvd | \$258,000  | Sep-14    | 2034                    | 74  | \$299,212      |
| 4 - 301 Sheridan Rd   | \$379,900  | Listing   | 3404                    | 75  | \$355,442      |

Sale 1 is on the same street as the subject property; it had the most similarities compared to the subject and required the fewest adjustments. Cota explained that he gave limited consideration to comparable 4 because of its active listing status. The adjusted range of the comparable properties 1, 2, and 3 is roughly \$300,000 to \$337,000. Cota asserts his value opinion considered Comparable 1 as the greatest influence to value; however, we note his opinion of value is at the very lowest end of the indicated range.

The Board of Review did not submit any evidence.

## Conclusions of Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2015). PAAB is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB considers only those grounds presented to or considered by the Board of Review, but determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. §§ 441.37A(1)(a-b). New or additional evidence may be introduced, and PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); see also *Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available to determine market value then "other factors," such as income and/or cost, may be considered. § 441.21(2).

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(1)(b), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). The Hollens submitted two appraisals for consideration. Because the Moser appraisal has an effective date of March 2013 and relies on 2012 sales, we give it no consideration in determining the 2015 market value of the subject property.

The Hollens also submitted an appraisal by Cota. Cota considered four properties, and chose to rely on the three closed 2014 sales. Cota asserts Comparable

1 is the most influential sale and we agree that it is more comparable to the subject property than Comparables 2 and 3. Comparable 1 is located closest to the subject and offers the most similarity in appearance, size, and amenities. Although Cota indicates he gave Comparable 1 the most weight, his reconciliation at the lowest end of the adjusted sales range (\$300,00) suggests he gave nearly all weight to Comparable 3 and no weight to Comparables 1 and 2. We believe most consideration should have been given to Comparable 1, which is the most recent and proximate sale to the subject property, and required minimal adjustment. At \$315,889, its adjusted sales price falls slightly below the average adjusted sales prices of the three sales comparables. For these reasons, we find the fair market value of the subject property, as of January 1, 2015, is \$316,000, prior to any applicable exemptions.

## Order

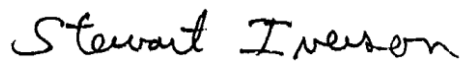
IT IS THEREFORE ORDERED the January 1, 2015, assessment of the subject property as set by the Board of Review is modified to \$316,000, prior to any applicable exemptions.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2015). Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action. Any judicial action challenging this Order shall be filed in the district court where the property is located within 20 days of the date of this Order and comply with the requirements of Iowa Code sections 441.38; 441.38B, 441.39; and Chapter 17A.

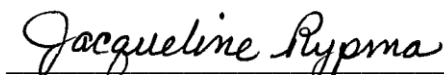
Dated this 10th day of November, 2015.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

Copies to:

Michael and Joan Hollen

TJ Koenigsfeld

Grant Veeder